

BrightHeart To Treat Pets With \$28.5M

By Lorie Konish
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Veterinary hospital operator BrightHeart Veterinary Centers has raised \$28.5 million in a second round of funding to expand into new geographic markets.

New investor LLR Partners contributed a \$25 million equity investment, while previous investor Caltius Mezzanine put in \$3.5 million. Both investments were done at the same valuation, according to BrightHeart Chief Executive Howard Rubin, who declined to comment on the post-money valuation of the funding.

"We are building a national network of specialty referral hospitals and emergency clinics for companion animals," Rubin said of the company.

BrightHeart, which is based in Armonk, N.Y., was founded in February 2007 with the goal of establishing national advanced-care veterinary hospitals for emergency and specialty care. Since then, BrightHeart has established four locations including Katonah, N.Y., and Farmington, Conn., established in 2007; and Downers Grove, Ill., and Calgary, Alberta. The Illinois and Canada sites were acquired with the new funding. BrightHeart also plans to use the funding for additional acquisitions and working capital.

"With this round of funding we will probably do three or four more," Rubin said. "It really has more to do with the quality and nature of the specialists than it has to do with the geographic location."

The new funding should last BrightHeart through the end of this year, Rubin said, and the company will consider raising additional capital. BrightHeart is profitable and cash flow positive, Rubin said.

While there are other companies establishing veterinary care operations, BrightHeart hopes to have an advantage with its specialty and emergency care services, Rubin said. BrightHeart's specialty services include surgery, oncology, cardiology, dermatology and ophthalmology.

Prior to this investment, BrightHeart raised about \$17 million last summer in a mezzanine debt funding through Caltius Mezzanine. BrightHeart took in its first round of about \$12 million in the first half of 2007 through Unified Growth Capital, which helped found the company.

"There is a medical driver for" services such as those provided by BrightHeart, Unified Growth Partner Robert Miner said, "but also there is a strong belief on the part of pet owners that their pets are really part of the family now, and they're more willing to seek help if their pets are facing medical challenges."

<http://www.brightheartvet.com>